



Petition for Sports Wagering Certificate
Philadelphia / Westmoreland
October 30th, 2019

Presenters



- Joe Weinberg – CEO / Principal, Cordish Gaming Group
- Rob Norton – President, Cordish Gaming Group
- Mark Stewart – Eckert Seamans Cherin & Mellott, LLC

Final Design



Philadelphia



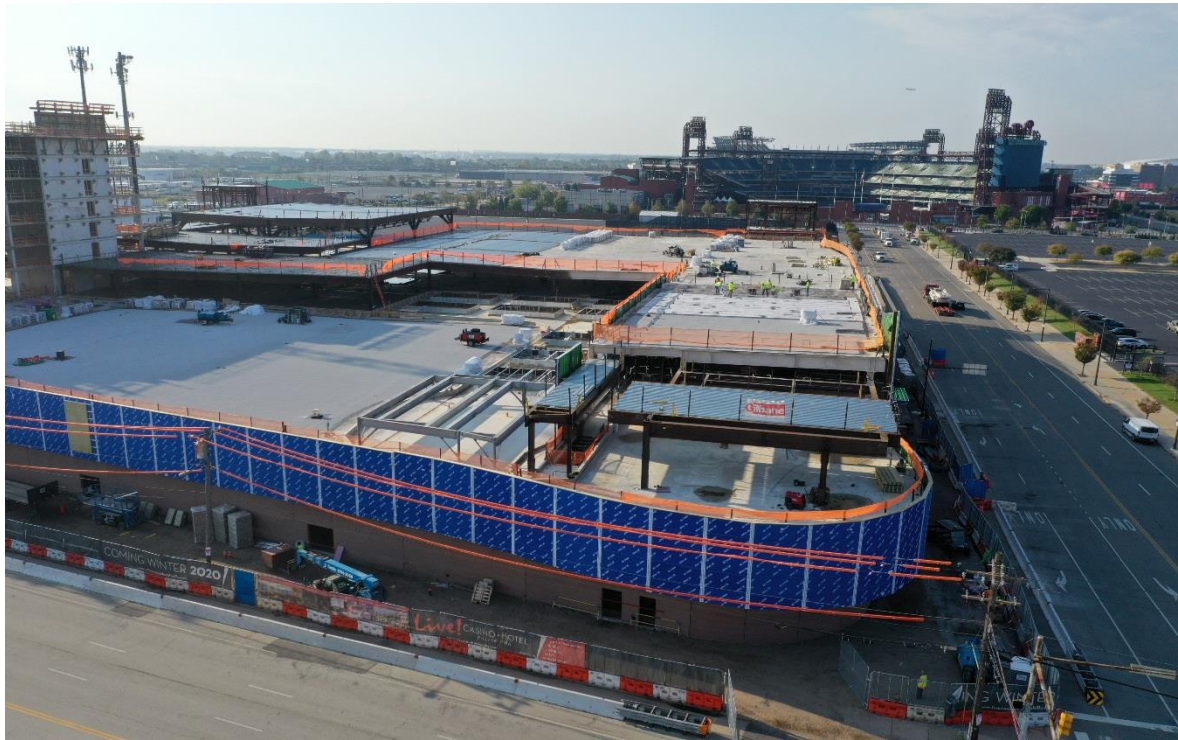
Westmoreland



Current Site Progress



Philadelphia



Westmoreland



Sports Wagering Benefits



- Good for gaming patrons
- Good for the Commonwealth and its residents
- Good for the Pennsylvania gaming industry

Philadelphia should generate significant tax revenue given its location in the stadium district

Increased jobs at both locations, expect 50 positions directly related to Retail Wagering

Enhanced guest experience for both properties

Retail Sports Wagering as an Amenity to the Property



- Retail sports betting has been received very well during its initial rollout
- Creates a unique atmosphere expected in a gaming patron's visit
- Ancillary benefits in gaming revenues have occurred

FACILITY	SPORTS WAGERING OPERATIONS COMMENCED	COMPARISON DATES	PERCENTAGE INCREASE IN SLOT & TABLE GAMES REVENUE
Hollywood	November 2018	11/17-8/18 vs 11/18-8/19	1.1%
Rivers	December 2018	12/17-8/17 vs 12/18-8/19	7.0%
SugarHouse	December 2018	12/17-8/17 vs 12/18-8/19	4.5%
Parx	January 2019	1/18-8/18 vs 1/18-8/19	1.4%
Valley Forge	March 2019	3/18-8/18 vs 3/18-8/19	9.6%
Presque Isle	July 2019	7/18-8/18 vs 7/18-8/19	14.4%

Retail Sports Wagering as an Amenity to the Property



- Sports Wagering Revenues through August 2019, estimated margin at 5%

FACILITY	SPORTS WAGERING OPERATIONS COMMENCED	RETAIL SPORTS WAGERING REVENUE	TAX TO STATE (36% REVENUE)	ESTIMATED MARGIN
Hollywood	November 2018	\$ 2,789,386	\$ 1,004,176	\$ 138,469
Rivers	December 2018	\$ 6,687,071	\$ 2,407,345	\$ 334,353
SugarHouse	December 2018	\$ 5,773,806	\$ 2,078,570	\$ 288,690
Parx	January 2019	\$ 5,576,784	\$ 2,007,642	\$ 278,839
Harrah's	January 2019	\$ 1,561,647	\$ 562,157	\$ 78,077
Valley Forge	March 2019	\$ 1,563,191	\$ 562,749	\$ 78,159
Presque Isle	July 2019	\$ 327,853	\$ 118,027	\$ 16,393

- Premier location in the Stadium District
- Plan to feature our Sports Book adjacent to nationally known Restaurant concept
- In addition to traditional layout, we will strategically place terminals, windows and other technology in areas for guest convenience

Sports & Social - Philadelphia

Live!
CASINO



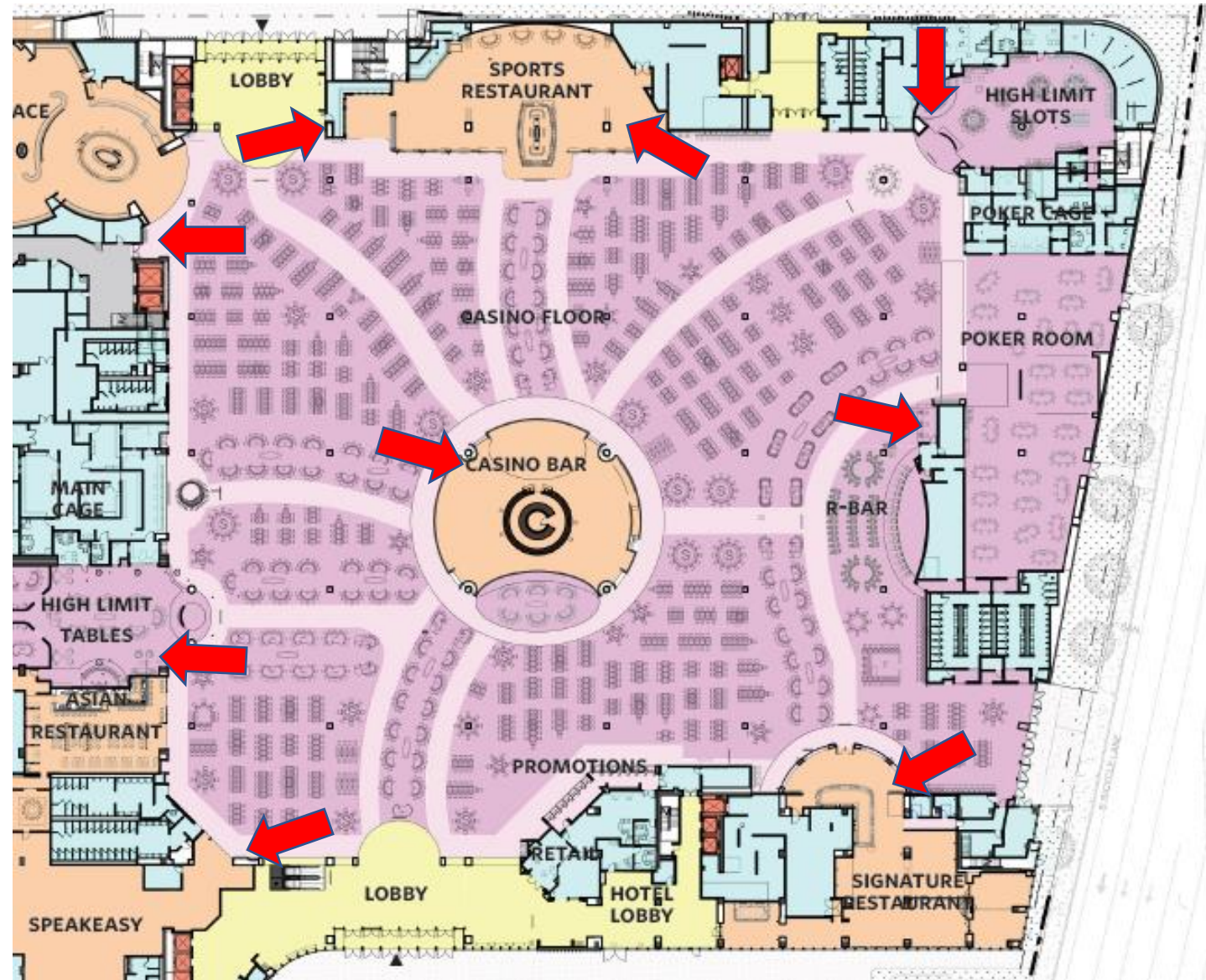
Sports & Social - Philadelphia

Live!
CASINO



Philadelphia

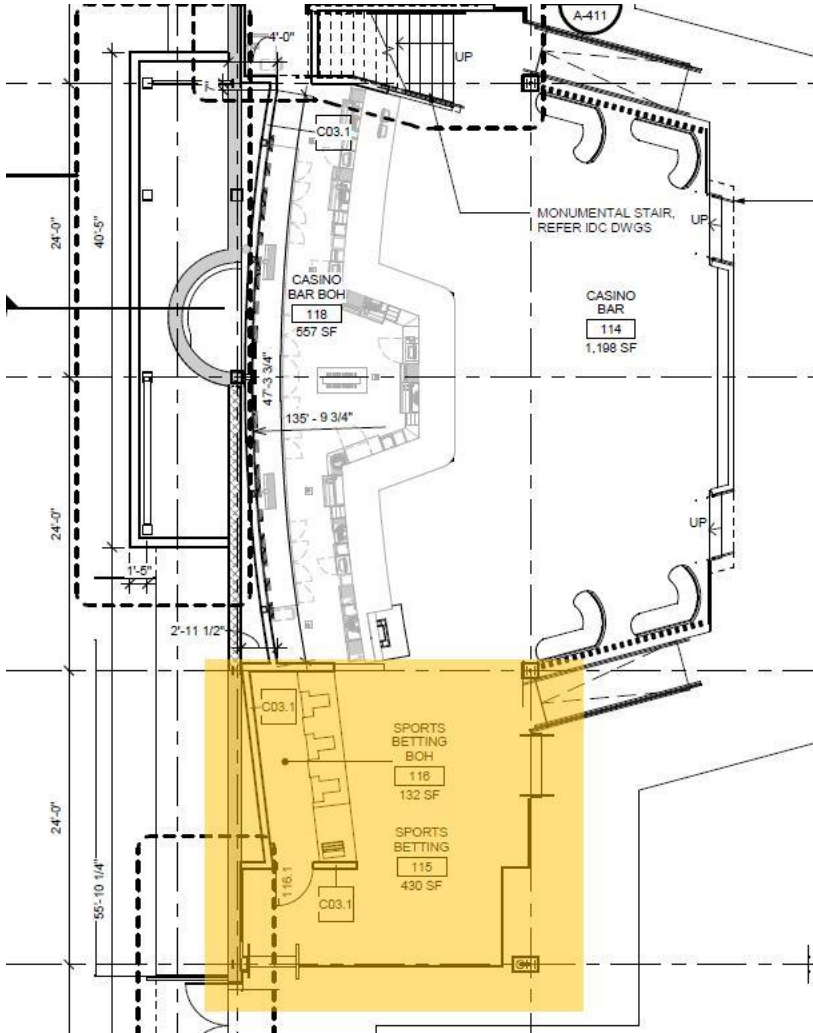
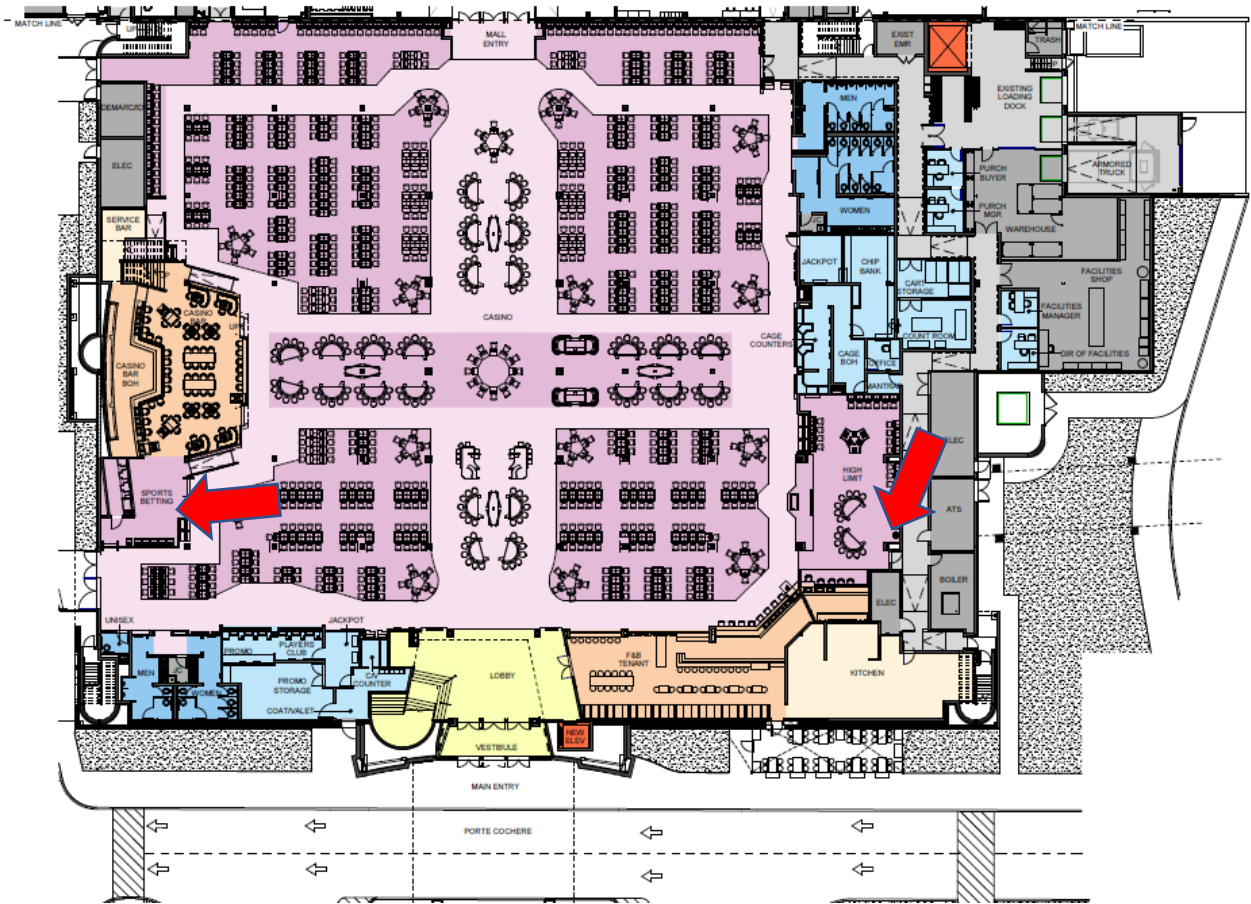
Live!
CASINO



Sports & Social - Westmoreland

Live!
CASINO





Westmoreland Impacts of Retail Sports Betting



- Estimated 20 jobs in the retail sportsbook
- Expected salaries with benefits totaling over \$850,000/year (\$42,500 avg.)
- Increased visitation from region
- Expected revenue impacts, not only gaming, but food and beverage
- Will meet patron expectations & promote community and customer satisfaction and pride in the local market

Kim Ward – Senator, 39th District – Westmoreland County



39TH SENATORIAL DISTRICT
KIM WARD
—
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Senate of Pennsylvania

July 26, 2019

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David M. Barasch
Chairman, Gaming Control Board
Commonwealth of Pennsylvania
P.O. Box 69060
Harrisburg, PA 17106

Dear Chairman Barasch,

I am writing to you regarding the Category 4 gaming license in Westmoreland County and plans for Live! Casino to offer live sports betting at the location.

Recently I have become aware that the Gaming Control Board might impose a \$10 million sports wagering fee on Live! Casino for its Category 4 facility in Greensburg, Westmoreland County in addition to a \$10 million fee for sports wagering at its Category 2 facility in Philadelphia.

I want to impress upon you and the Board sports wagering authorization fee is intended, by Act 42 of 2017, to be inclusive of all operations by a slot machine licensee and not to be levied on a per facility basis. As provided in the statute, each slot machine licensee that is issued a sports wagering certificate to conduct sports wagering is to pay a one-time fee of \$10 million. Any fee above and beyond is not authorized by Act 42.

Category 4 licenses were created to bring gaming's economic development to parts of the Commonwealth left pretty much untouched by it so far. Imposing a \$10 million fee for sports betting alone in Category 4 facilities is not only unlawful but unreasonable and will make it unfeasible for companies to bring it to submarkets like Westmoreland County, once again making an expansion of gaming only beneficial for larger markets in the state.

I urge you to consider in this matter the intent and language of Act 42 which aims to create a level-playing field across Pennsylvania when it comes to full live gaming options.

Sincerely,

Kim L. Ward
Senator, 39th District

George Dunbar – 56th District, Gaming Oversight Committee



GEORGE DUNBAR, MEMBER 56TH LEGISLATIVE DISTRICT

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House of Representatives
Commonwealth of Pennsylvania
Harrisburg

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July 17, 2019

David M Barasch, Chairman
PA Gaming Control Board
P.O. Box 69060
Harrisburg 17106-9060

Re: Live! Casino Westmoreland

Dear Chairman Barasch:

I submit this correspondence regarding the Live! Casino Westmoreland project in two capacities. First, I write in my capacity as the longest tenured member of the House Gaming Oversight Committee, directly engaged in the policy considerations for expanded gaming that resulted in Act 42 of 2017.

In addition, I am submitting this letter as a Legislator representing Westmoreland County. As you are aware, Live! Casino won the right to apply for a Category 4 gaming license for a Greensburg, Westmoreland County location in the auction held by the Board after passage of Act 42.

I have seen a copy of the plans that Live! Casino filed with the Board. The company's plans include restaurant and bar amenities in addition to standard slot machine and table game rooms. They have expressed their intention to conduct a live sports betting operation in a multi-screen sports lounge. Their economic modeling for a live sports betting operation assumes that they will be permitted to use a one time payment of the \$10 million sports betting license fee to cover sports book activities in their Philadelphia Category 2 facility and their Greensburg project. That single certificate assumption tracks the intent of Act 42 wherein we extended the right to conduct expanded gaming at multiple facilities.

The premise behind the Act 42 satellite casinos was that they would be able to provide the full live gaming options permitted the other Categories of licensees, but on a smaller scale to match the submarkets. This is particularly true as to the Category 4 casinos and their affiliated primary casino. I am concerned that if the Board takes the position that Live! Casino is required to pay a second \$10 million sports betting fee for the Greensburg project, that they will choose to operate their live sports betting operation only in their much larger Philadelphia project.

The structure and text of the Gaming Act enable the Board to allow sports betting at ancillary Category 4 facilities under a single certificate.

The policies and legislative intent behind the Act support a single certificate approach.

Key question is: What will provide the Commonwealth, the host communities and the public with the best possible gaming facility and experience?

Gaming Act Allows for a Single Certificate



The text and structure of the Act directly link Category 4 casinos to their affiliated primary casino

- Only Category 1, 2 and 3 casinos could bid for a Category 4 license under Act 20 of 2019 and in the initial round under Act 42 of 2017
- The Act conflates the licensees – “A Category 1 or 2 licensee who is a Category 4 licensee”
- Category 4 licensees are wholly dependent on their primary casino for their slot machines

Section 13C21's Authorized Location provision permits operations under a single certificate

A Single Certificate Advances the Act's Policies



Category 4 licenses were created to “ensure the sustainability and competitiveness” of Pennsylvania’s gaming industry

- Allowing a complete sports betting experience at Category 4 casinos promotes this legislative policy
- Enabling Category 4 casinos to generate additional sports betting revenue & incremental slots and table revenue promotes this policy
- Precluding such opportunities unless an additional, economically unjustifiable \$10 million fee is paid undermines sustainability and competitiveness

A Single Certificate Advances the Act's Policies



Granting Stadium's Petition will also advance other Section 1102 policies:

- Increased sports betting revenue will be generated
- Incremental slot and table revenue will benefit the Commonwealth and local share recipients
- Employment opportunities will be maximized
- Entertainment and tourism will be enhanced in the Westmoreland County region

Granting the Petition also places all Category 4 casinos on equal footing in terms of wagering opportunities and amenities

A Single Certificate Advances the Act's Policies



All of these policy benefits are **lost** if an additional \$10 million fee is required

- An additional fee cannot be justified, won't be paid and is a mirage
- A Category 4 licensee would be paying a sum equal to the minimum slot bid & table game fee for a revenue source that is averaging 2.1% of total per site gaming revenue
- If all Category 4 casinos must have their own certificate, one casino would have to pay \$30 million to have sports betting at its primary and two ancillary Category 4 casinos

Single Certificate Solution is Best Option



The Board is presented with 3 options:

1. All Category 4 casinos must have their own certificate – This would mean no retail sports betting at Category 4 casinos. The result is a loss of revenue and jobs, and is bad for gaming patrons
2. Have's & Have Not's – Only Category 1 affiliated Category 4 casinos have retail sports betting due to OTB exception. Results in disparate casino facilities and lost revenue and jobs for the Commonwealth
3. The single certificate approach – Only option that advances the Gaming Act's policies and is consistent with its structure and text. The best solution for Pennsylvania, the host communities, gaming patrons and licensees



Thank you!